

**FY 2018 CONGRESSIONAL JUSTIFICATION  
FOR THE SOCIAL SECURITY  
ADVISORY BOARD**



**October 24, 2016**

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## MESSAGE FROM THE CHAIR

I am pleased to submit the FY 2018 budget request for the Social Security Advisory Board (SSAB). In FY 2017, the SSAB is requesting \$2.6 million, an increase of \$300,000, or 13 percent, over House mark for FY 2017. We understand that the overall budget is especially tight this year. Nonetheless, we believe that the modest absolute increase we seek, the vital importance of informed discussion of Social Security, and the demonstrated value of our contributions to helping Congress make informed choices fully justify our request.

SSAB is one of only a handful of policy organizations in the Washington policy arena that regularly achieves bipartisan consensus on very important national programs and the policies that shape them. Because of that bipartisanship, our work not only can help, but has helped, Congress move beyond partisan gridlock.

The Board accomplishes a lot with little. Our staff is lean; our budget, small. Salaries, rent, and other fixed costs grow inexorably, putting increasing pressure on us to do more with less. We have consistently met that challenge. Now, however, just when Social Security questions have returned to policy center stage, we find ourselves unable to take on important work that needs to be done—on disability insurance, Social Security modernization, and other issues. We find that we must neglect important policy areas that the small absolute increase we seek in our budget would permit us to address. The increment we seek for FY 2018 will enable us to enhance our capacity to do more work and to be more effective in helping the Congress and the Administration do their jobs. We hope that you will consider our request favorably.

Sincerely,

A handwritten signature in cursive script, reading "Henry Aaron".

Henry A. Aaron  
Chairman

## OVERVIEW

The President's Budget for FY 2018 requests \$2.6 million for the operations of the Social Security Advisory Board (SSAB). This represents an increase of \$300,000, a 13% increase over funding provided by the House in FY 2017.

	<b>FY 2016 Enacted</b>	<b>FY 2017 PB Request</b>	<b>FY 2017 House Mark</b>	<b>FY 2018 Request</b>
<b>Budget Authority</b>	<b>\$2,300,000</b>	<b>\$2,500,000</b>	<b>\$2,300,000</b>	<b>\$2,600,000</b>

### Mission

The Social Security Advisory Board is a bipartisan, independent federal government agency established in 1994 to advise the President, the Congress, and the Commissioner of Social Security on matters of policy and administration of the Old-age, Survivors, and Disability Insurance (OASDI) and the Supplemental Security Income (SSI) programs.

The Board's mission, as spelled out in our authorizing statute (citation), is to:

- Analyze the Nation's retirement and disability systems and making recommendations with respect to how the old-age, survivors, and disability insurance program and the supplemental security income program, supported by other public and private systems, can most effectively assure economic security;
- Study and make recommendations relating to the coordination of programs that provide health security with social security programs;
- Make recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the old-age, survivors, and disability insurance program, both in the short-term and the long-term;
- Make recommendations with respect to the quality of service that the Administration provides to the public;
- Make recommendations with respect to policies and regulations regarding the old-age, survivors, and disability insurance program and the supplemental security income program;
- Increase public understanding of the social security system;
- Make recommendations with respect to a long-range research and program evaluation plan for the Administration;
- Review and assess any major studies of social security as may come to the attention of the Board;

- Make recommendations with respect to such other matters as the Board determines to be appropriate.

### **Advisory Board Appointments and Composition**

The Board is composed of 7 members appointed to 6-year terms, as follows: 3 appointed by the President (no more than 2 from the same political party), by and with the advice and consent of the Senate; 2 each (no more than 1 from the same political party) by the Speaker of the House (in consultation with the Chairman and Ranking Minority Member of the Committee on Ways and Means) and by the President pro tempore of the Senate (in consultation with the Chairman and Ranking Minority Member of the Committee on Finance).

Each member of the Board serves for a term of 6 years, except that a member appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

The President designates a member of the Board to serve as Chair for a term of 4 years, coincident with the term of the President, or until the designation of a successor. The Chair may designate another member of the Board to act as Chair of a meeting of the Board in the absence of the Chair.

<b>Advisory Board Member</b>	<b>Current Term Began</b>	<b>Current Term Expires</b>
Henry J. Aaron, Chairman (D, WH)	9/8/2014	9/30/2020
Lanhee J. Chen (R, WH)	9/8/2014	9/30/2018
Vacant (D, WH)	10/1/2016	9/30/2022
Barbara B. Kennelly (D, H)	3/1/2012	9/30/2017
Kim Hildred (R, H)	9/27/2016	9/30/2022
Jagadeesh Gokhale (R, S)	10/5/2015	9/30/2021
Bernadette Franks-Ongoy (D, S)	1/24/2013	9/30/2018

*NOTES: D = Democrat, R = Republican, WH = White House Appointment  
H = House Appointment, S = Senate Appointment*

## **Advisory Board Staff**

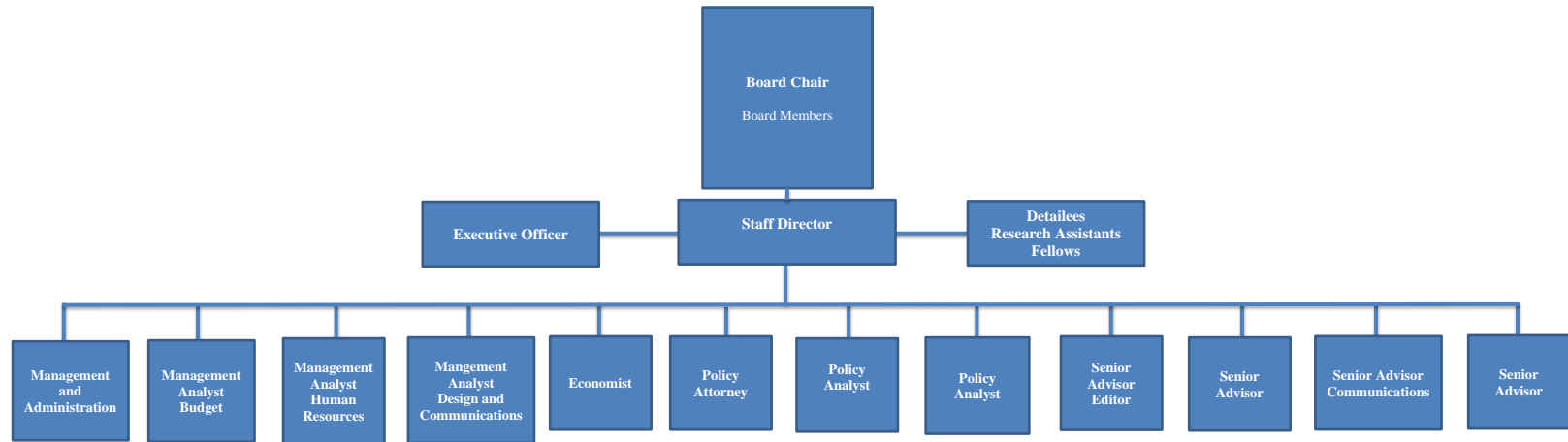
When the Board was created by Congress in 1994, the legislation provided authority to hire a Staff Director but did not provide for additional staff to assist the Board in fulfilling its mission. Once the Board began operations, SSA employees serving on temporary detail assignments to the Board were utilized to assist the Board and its Staff Director in conducting Board-related business.

Subsequently, a provision of the *Balanced Budget Act of 1997* amended the law to allow the Board to hire other staff as needed. Since that time, the Board has maintained a small cadre of full-time, permanent staff in its Washington, D.C. offices to assist the Board in its activities. This small staff is supplemented, as needed, by SSA employees serving on temporary details, interns, fellows, and temporary or part-time staff. For projects and activities requiring specific expertise, the Board may also employ individuals on a temporary basis as Special Government Employees (SGE) or Re-employed Annuitants.

The Board is currently staffed by a Staff Director, 10 full-time professional staff and 3 part-time or temporary employees. In addition, we periodically bring in part-time or temporary research assistants, interns, and fellows from the National Academy of Social Insurance, public policy students from a wide variety of universities and colleges, and other sources.

Because of the small size of the Board's staff, it relies heavily on SSA for much of its administrative support, including personnel and payroll, travel, procurement, facilities management, financial management, etc. Technological changes, simplified procedures, and competitive contracting have allowed the Board to assume more responsibility for its administrative activities in recent years but the majority of its administrative support is still provided by SSA.

## SSAB Organizational Chart



## **Activities of the Board**

The Board's authorizing legislation requires that the Board shall meet, at the call of the Chair, a minimum of four times each year. The Board determined at its outset that more frequent meetings were essential to achieving the mandates set forth by the Congress in its authorizing statute. In general, the Board has followed a policy of meeting monthly, although schedules may vary. Meetings are normally held in the Board's office in Washington. However, the Board has also traveled to sites around the country for field visits instead of meeting in Washington. The Board's by-laws require the Board to provide public notice of meetings on its website, and it also must make the minutes of its meetings available to the public.

Throughout the course of the year, the Board conducts research and investigations on issues related to Social Security programs and the agency's operations, and reports its findings by issuing reports, issue briefs, or policy papers. The Board also periodically sponsors policy forums or roundtable events where experts in a particular area of policy or administrative procedure are gathered together to discuss issues and learn from each other.

Every four years the Board assembles a technical panel of economists, demographers, actuaries, and financial experts who come together to review the assumptions and methods used by the Social Security Trustees and SSA's actuaries in projecting the long-term financial health of the Social Security Trust Funds. In the fall of 2014, the Board appointed its fifth such panel of experts which reported out its findings in late 2015. In 2016, the Board convened a smaller, more targeted Technical Panel to look specifically at the issue of labor force participation. The Board has several other topics that it would like targeted Technical Panels to consider. Our next single issue Technical Panel would consider mortality, and another Technical Panel would look at the immigration system. However, the board's ability to convene these panels is very much dependent on receiving sufficient funding.

In addition, the Board periodically convenes other expert panels to research and opine on other matters related to the Board's statutory mission. In 2013, for example, Congressional staff expressed interest in having the Board initiate a review of SSA's disability programs. Modeling our response to that call on the technical panels on assumptions and methods, the Board convened a Disability Policy Panel in the spring of 2014 to look, specifically at how the SSA conducts continuing disability reviews (CDRs) and make recommendations for improvements. The board would like to convene a similar policy panel to address certain aspects of the disability program.

## **APPROPRIATIONS LANGUAGE**

Provided, That not less than [\$2,300,000] **\$2,600,000** shall be for the Social Security Advisory Board [, **including not more than \$2,500 for reception and representation**].

### **Analysis of Changes**

The Board is seeking an increase in its operating budget of \$300,000 to enhance its analytical capacity, more actively engage the public to increase public understanding of Social Security programs, and to conduct original research and bring in outside expertise on matters pertaining to SSA and the programs it administers. Note, the Board requested an increase of \$100,000 for FY 2016 and \$200,000 for FY 2018 and these increases were not granted by the Congress.

The Board is seeking authority to set aside \$2,500 of its budget for reception and representation at Board-sponsored forums and other public and community events.

## BUDGET AUTHORITY BY OBJECT CLASS AND STAFFING

Object Class	FY 2016 Estimate	FY 2017 PB Request	FY 2017 House Mark	FY 2018 Request
Salaries	\$1,340,651	\$1,367,611	\$1,367,611	\$1,504,350
Benefits	393,767	409,050	409,050	452,588
<b>Subtotal, Compensation</b>	<b>\$1,734,418</b>	<b>\$1,776,661</b>	<b>\$1,776,661</b>	<b>\$1,957,118</b>
Travel	89,687	112,135	110,000	119,035
Rent, Communications, Util.	296,352	315,604	315,604	344,929
Printing & Reproduction	15,787	10,000	10,000	12,000
Consultants & Contracts	140,063	277,600	80,735	146,918
Equipment	18,891	3,000	3,000	15,000
Supplies	4,780	5,000	4,000	5,000
<b>TOTAL, All Objects</b>	<b>\$2,299,978</b>	<b>\$2,500,000</b>	<b>\$2,300,000</b>	<b>\$2,600,000</b>
<b>Staffing Levels</b>				
Full-time, Permanent Staff	10	10	10	11
Part-time, Temporary Staff	4	3	3	3

*Note: Totals may not add due to rounding.*

As inflation and other factors drive up compensation and fixed operating costs, the Board strives to be proactive in streamlining its operations and coming up with more cost-effective ways of doing business. With the level of funding provided by the House in FY 2017, approximately 77 percent of the Board's budget will be spent on funding salaries and benefits for the Board and its employees. Approximately 16 percent of this funding will cover fixed costs such as rent, security, and meeting the Board contractual obligations for IT support and maintenance. This leaves only 7 percent of the Board's funding to cover all remaining expenditures, including our use of consultants and outside expertise, travel, printing and reproduction, IT and other equipment, and office supplies.

***Compensation and Benefits.*** Under the House mark provided for FY 2017, the Board will spend approximately 77 percent of its funding on salaries and benefits. While the Board is committed to enhancing the analytical capacity of its in-house staff, it must also be cognizant of the growing costs of human capital. In FY 2018, SSAB plans to add one full-time, professional staff position to assist the Board in conducting research and policy analysis on Social Security and disability policy issues, as well as other issues related to the Board's mission. In addition, the Board will continue its reliance on temporary detail assignments from the Social Security

Administration (SSA) and outside consultants to bring in the skills and expertise that it lacks in-house.

In addition to compensation and benefits for its small professional staff, Board members are also entitled to receive compensation for work performed on behalf of the Board. When the Board was established in 1994, the issue of whether members of the Board should be compensated was considered and decided against. When the Congress passed the *Social Security Protection Act of 2004* (P.L. 108-203), however, Section 417 of this statute provided that, effective on January 1, 2003, Board members would receive compensation, travel expenses, and per diem while engaged in Board-related business.<sup>1</sup> For some members, their service on the Board has been considered part of their job expectation by their full-time employers and, though they were entitled to compensation, they did not accept compensation for their service. Although we are still awaiting a new House appointment and White House nomination, in FY 2018 we expect that all members will be entitled to compensation.

***Travel & Transportation of Things.*** Under the House mark provided for FY 2017, about 5 percent of SSAB's operating costs will be spent on travel and the transportation of things. This ratio has been increasing over the last several years and, in FY 2018 and beyond, SSAB expects that its travel costs will continue to grow. In the early days of the Board's existence, most of the individuals selected to serve on the Board lived in or near Washington, DC, or in cities on the eastern half of the continental U.S., to and from which regular flights are readily available. The trend over the last few years, however, has been that Board members are increasingly being selected from locations that are farther away from Washington, DC, often in locations that involve more complex travel arrangements and greater expensive to reach, require long in-transit timeframes, and also require more days of lodging reimbursement and per diem compensation when members are in travel status. In FY 2018, the Board expects that more than half of its membership will reside outside of the Washington, DC metropolitan area.

In response to rising travel costs, SSAB is leveraging Internet-based videoconferencing technology to reduce travel costs wherever possible. In addition, it has reduced the number of field visits that it makes throughout the year by half, even though these experiences have been among the most valuable to the Board in terms of keeping their fingers on the pulse of what's happening with SSA outside of Washington, DC and agency's Baltimore headquarters. It is often, during these exchanges with front line managers and staff, that emerging issues are identified, providing opportunities to address them proactively before they turn into much larger issues. These visits have allowed the Board to hear, first hand, from frontline employees about

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<sup>1</sup> A member of the Board shall, for each day (including travel time) during which the member is attending meetings or conferences of the Board or otherwise engaged in the business of the Board, be compensated at the daily rate of basic pay payable for level IV of the Executive Schedule. While serving on business of the Board away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

the everyday challenges they face and their ability to serve the public. In addition, these visits to locations around the country have provided the Board with opportunities to hold community events and tap into the concerns and issues of everyday Americans.

***Rent, Communications & Utilities.*** At the funding level provided by the House mark for FY 2017, just over 16 percent of SSAB's budget will be spent on rent, security, and communications. In the summer of 2017, the Board's lease on the commercial space it occupies at 400 Virginia Avenue, SW in Washington, DC will expire. The Board is currently working closely with the General Services Administration (GSA) and SSA's facilities management personnel to identify a suitable new home for the Board and its staff. We have been informed, however, that commercial property rates in the metropolitan Washington area have increased substantially since our current lease was signed in 2007. In response to these expected increases, SSAB will be reducing the size of its footprint in its new location and it plans to eliminate individual offices for its staff in favor of a more open floor plan design.

In addition, agencies occupying commercial space under a lease agreement with GSA, rental charges are subject to periodic adjustments—in the form of assessments or credits—as assessed property values change over time. Over the last several fiscal years, annual real estate tax escalations on SSAB's leased space have ranged in value from a \$2,000 in credits to a nearly \$20,000 assessment, and they have occurred at random intervals with no prior notice. For a small agency like SSAB, this kind of uncertainty makes it difficult to budget with any reasonable assurance.

***Printing & Reproduction.*** In response to the rising costs of printing and reproduction, SSAB has reduced its reliance on print materials and is releasing more of its publications in electronic formats. Reducing printed material is not only better from an environmental standpoint, but it also reduces SSAB's costs for both printing and postage, and enhances our compliance with Section 508 requirements by improving accessibility to Board publications to persons with disabilities.

***Consultants and Contracts.*** SSAB currently has a single, small professional services contract in place that provides the Board with information technology support services. This contract will have to be re-competed in the summer of 2018 and we expect that costs will likely go up. In addition, the Board typically acquires the services and skills of a number of outside experts using micro-purchasing authority. As part of SSAB's efforts to enhance its analytical capacity, the Board had requested in FY 2017 an additional \$130,000 over FY 2016 funding for these activities. The amount that we could afford under the House mark for FY 2017, however, *reduces* our availability to bring in outside expertise by nearly \$60,000. For FY 2018, the Board proposes increasing the amount set aside for contracts and outside experts by \$66,000 over the amount provided under the FY 2017 House Mark, restoring our funding to FY 2016 levels and allow a small margin for expected increases in our IT support services contract. These additional

funds will allow SSAB to access capabilities and expertise, on a project-specific basis, that it currently does not possess in-house.

## RECENT APPROPRIATIONS HISTORY

*(\$ in 000)*

<b>Fiscal Year</b>	<b>Budget Authority</b>
FY 2007	\$2,000
FY 2008	\$2,000
FY 2009	\$2,033
FY 2010	\$2,145
FY 2011	\$2,295
FY 2012	\$2,300
FY 2013	\$2,300
FY 2014	\$2,300
FY 2015	\$2,300
FY 2016	\$2,300
FY 2017 Request	\$2,500
FY 2017 House	\$2,300

## HIGHLIGHTS FOR FY 2017 AND FY 2018

### Enhancing Analytical Capacity

***Enhancing In-House Capacity:*** Historically, SSAB's full-time, permanent staff members have been individuals with knowledge of and/or experience with SSA and the programs administered by that agency. The majority of the Board's employees have at some time during their career worked at SSA, and many also have experience on Capitol Hill or other Federal or state government agencies. In more recent years, as SSAB has sought to enhance its in-house capacity to conduct policy research, we have used a combination of staff training and actively recruiting new staff members who are skilled at research and data analytics. The Board believes that by augmenting its ability to conduct original research and perform data analytics, we will also enhance our ability to advise and assist Congress, the Administration, and the Commissioner of Social Security. Our budget requests for both FY 2017 and FY 2018—combined with the changes we are proposing in our authorizing statute—would expand SSAB's ability to design and conduct independent research on the important national programs and policies under our purview. At the level of funding provided by the House for FY 2017, we are unable to hire any additional research professionals. Our request for FY 2018 seeks funding authority to hire one additional research professional.

***Making Greater Use of Outside Experts:*** For FY 2017, the Board requested \$277,000 for contracts and procuring outside expertise on Board-related projects. Approximately \$60,000 of these funds are needed to cover the costs associated with the Board's ongoing IT services contract that provides information systems to support to the Board and its staff, including network security, and website and email hosting. At the funding level provided by the House, SSAB will have available just under \$81,000 for these activities—\$60,000 for our IT contract and only \$21,000 for outside consultation. For FY 2018, the Board seeks to restore its ability bring in outside experts to FY 2016 levels and seeks \$147,000 for this proposes, an increase of \$66,000 over the \$81,000 available for these activities in FY 2017. The additional funding will assist SSAB in getting expert input on a wide variety of policy and technical areas that it currently does not possess in-house and assist us in designing studies that produce reliable and valid outcomes.

***New Mini-Technical Panels on Assumptions and Methods:*** Throughout its 20-year history, the Board has commissioned panels of prominent economists, demographers and actuaries to review the assumptions of the Social Security and Medicare Trustees and the methods of the Office of the Chief Actuary used in projecting the finances of the Old Age Survivors and Disability Insurance trust funds. The purpose of these panels is to provide the Trustees and actuaries with advice from some of the most respected minds in their field on potential improvements and refinements in their assumptions and methodologies. In addition,

these periodic assessments give the American public more confidence that the projections themselves are regularly subject to rigorous and independent review.

The Board has sponsored five Technical Panels since its inception (1999, 2003, 2007, 2011, and 2015) keeping to a schedule established in tradition by the Quadrennial Councils on Social Security. Working closely with SSA's Chief Actuary and the Public Trustees of Social Security, the Board recruits between 8 and 12 Panel members, who then conduct their deliberations over the course of approximately one year. These Panels act independently of the Board. They conduct regular meetings and issue a final written report detailing their recommendations.

In FY 2016, based on feedback from actuaries, the Board appointed a small panel of economists to review a single but important and complicated aspect of Social Security projections: labor force participation rates. This panel is expected to release its findings to the Board later this year. The Board plans to continue commissioning these smaller, shorter-term Panels to review more focused issues such as the projection of mortality rates or productivity growth rates. These focused Panels provide the same level of assurance to the public that the projections receive careful and independent scrutiny, and they also provide the Trustees and Actuaries a broader range of expertise and viewpoints on the most complex and consequential aspects of the financial projection process. The Board envisions these smaller panels as a supplement to the larger Technical Panels convened every four years, not as a replacement for them. Funding for all of these panels—the full Technical Panels *and* the mini-Panel—comes from the same pot of money discussed in the section immediately preceding this section, *Making Greater Use of Outside Experts*.

***Other Policy Panels:*** In prior years, the Board has assisted Congress by convening expert panels to research specific policy issues that have not been addressed by SSA or elsewhere in government. For example, in 2013, Congressional staff expressed interest in having the Board initiate a review of SSA's disability programs. Modeling our response to that call on the Technical Panels on Assumptions and Methods discussed above, the Board convened a Disability Policy Panel in the spring of 2014 to look, specifically at how the SSA conducts continuing disability reviews (CDRs) and to make recommendations for improvements. Because of the technical nature of these issues, the Board agreed that a panel of experts was best suited to this task. In December 2014, the Board issued the Panel's report, [\*2014 Disability Policy Panel: Continuing Disability Reviews\*](#). Other issues suggested for future expert panel analysis have included such areas as: the sequential evaluation process; the use of treating source opinion; the use of medical and vocational experts; and the assessment of residual functional capacity. As with the technical panels, funding for these policy panels comes from the same pot of money discussed in the section immediately preceding this section, *Making Greater Use of Outside Experts* so the Board will have to defer this activity until 2018 or later.

## Engaging the Public and Policy Community

**Public Forums:** A key component of the Board's conduct of research and information gathering is the hosting of public events that bring together legislative, administrative, policy, academic, and advocacy experts to present and debate current questions pertaining to Social Security, health, and income support programs. A public forum or roundtable discussion is often an efficient way for the Board to hear from multiple experts simultaneously and to engage in a specific, results-oriented discussion with attendees. For example, in 2013, the Board held a standing-room only forum to discuss the Disability Insurance (DI) program and brought together experts from multiple disciplines and across the political spectrum. This forum led to Board reports on continuing disability reviews in 2015 and the Board's upcoming report on strengthening the DI program. The Board sponsored another very successful public forum in July 2016 covering the complex rules of the SSI program and how children fare in it and in the broader welfare system. We invited professionals from Capitol Hill, SSA, universities, and research and advocacy organizations from a broad spectrum of policy areas to participate in this event. Much time and effort was put into developing a balanced and comprehensive list of panelists and an agenda that would generate concrete ideas for how SSI might be simplified and improved for kids, while preserving program integrity.

These types of public events are a key part of the Board's work—and it has been our goal to host at least one such event every year, yet we are unable to hold them regularly due to limited funding. Additional funding, such as what the Board requested for both FY 2017 and FY 2018, would allow us to hold at least one public forum each year, alternating among retirement, disability, and other policy areas consistent with the Board's charge. Annual forums or similar events allow legislators, SSA and others interested parties to participate regularly in an open exchange of information, views, and ideas in a bipartisan way.

**Other Public Events:** Throughout its 20-year history, the Board has periodically also sponsored community events in various locations throughout the country where Board members have a chance to interact with and hear the concerns of members of the public regarding Social Security programs and their experiences with SSA field offices, program service centers, the 800 telephone number, and Internet-based service channels. In addition, the Board has heard from community leaders, social service providers, beneficiary and recipient representatives and advocates, and policy experts who share their views on SSA and the programs administered by the agency. The Board believes that these kinds of events not only surface issues that can be dealt with proactively before they become larger problems, but they also foster improvements in the participants understanding of Social Security programs.

In FY 2016, SSAB held a community event in the San Francisco Region at the Community Center in San Pablo. Kathy Cho Rothberg, who is the director for Lao Family Community Development, Inc. hosted the event, along with the West County Senior Coalition and the League of Women Voters of West County. The event was highly anticipated by the

community, with attendance by the Mayor of San Pablo and other local officials and community organizations. The primary focus being the opportunity for the public to voice their concerns and experiences related to SSA. Approximately 85 attendees were present for the evening event. Many shared their experiences with SSA, both positive and negative, and were inquisitive of the Board, its functions, mission, and efforts. The Board fielded questions on many topics, such as benefit entitlement, solvency of SSA trust funds, and public service concerns. The Board's goal is to sponsor at least one such public event a year, including FY 2017 and FY 2018.

***Reception and Representation Authority:*** In addition, the Board is seeking a change to its authorizing statute that would allow it to use a small portion of its appropriated funds for reception and representation at some of its public forums and other Board-sponsored public events. Public events such as these must be scheduled at times when the public is available to attend, and many times, that is at end of the workday before they return home to their families. Because of the timing and duration of some public events, the provision of light refreshments is essential to guaranteeing that people will attend.

***Website Enhancements:*** In FY 2016, the Board worked hard to improve the design and functionality of its Internet website and the quality of the information provided on it. In FY 2017, FY 2018, and beyond, SSAB hopes to continue making further enhancements to its website so that we are better able to provide useful and timely data and other information about the Board's work, the OASDI and SSI programs, and our recommendations for improving these important programs. The Board believes that the improvements we have planned will better allow us to serve the public—and other research and policy experts—by giving us the tools to disseminate more useful and timely data. The Board also believes that an enhanced website, and more active, regular engagement with the public, will help to improve the public's understanding of Social Security programs.

***Tracking Public Inquiries:*** Almost daily, we receive calls, emails, or send letters from the public seeking guidance and assistance. Often, these individuals mistake us for SSA or they desire to speak with someone who can influence public policy on one or more of SSA-related issues, or they desire to inform of problems they encounter when dealing with SSA. In 2013, Board staff established a formal process for tracking and answering public inquiries and we developed a guide for responding to the public. Although, as an advisory body, the Board does not have authority to adjudicate individual claims; documenting these inquiries and guiding the public to the appropriate Congressional, Social Security, or other governmental office helps the Board become aware of issues and better serve the American public. The Board plans to continue collecting statistics on the number and subject matter of the inquiries it receives in 2017, 2018, and beyond, to help us provide better advice to Congress, the White House, and SSA on issues the public faces relating to Social Security. The most common public inquiries we have received

so far involve problems with the disability program, problems with the disability adjudication process, and the quality of service SSA delivers to the public.

#### Other Ongoing, and Planned Work in FY 2017 and FY 2018

***Benefit Adjustments for Worker's with Non-covered Earnings:*** Coinciding with public and Congressional interest, the Board has been working on the topic of benefit formulae that are fair to state and local government workers who do not contribute to Social Security. The Board released the [\*Windfall Elimination Provision: It's Time to Correct the Math\*](#) early in FY 2016 and plans to release a follow up report on the Government Pension Offset during FY 2017. As a bipartisan board, we have analyzed both provisions and agree that the new formulae would ensure that affected workers receive benefits proportional to their contributions. In addition, we agree with the proposed benefit formulae for newly eligible beneficiaries as described in H.R. 711 *Equal Treatment of Public Servants Act of 2015*, the President's 2017 budget proposal, and the Bipartisan Policy Center's Commission on Retirement Security and Personal Savings. By providing our support, we intend to support timely Congressional action on this common sense proposal.

***Representative Payee Program:*** In spring 2016, the Board released [\*Representative Payees: A Call to Action\*](#). In this report, we call on Congress, the Social Security Administration (SSA), and interested stakeholders to reexamine the representative payee program. We wrote that all of SSA's representative payees procedures should be reviewed. We plan to delve more deeply into SSA's responsibility for representative payee accounting, identifying beneficiaries with declining financial capability, and proposals to improve the program.

We are in the process of analyzing both existing research and newly available research on the topic. As we review the program, we have noted areas where more research is needed to make evidence-based policy decisions. Some research questions require data already collected by SSA while other research questions will require new research either by the Board or by third parties reimbursed by the Board, by SSA's existing contracts with researchers, or by other interested researchers.

We are noting where improvements can be made and where, whether it is SSA regulations or policy, the Social Security Act, inter-agency agreements, the courts, or a yet to be determined third party. Our interest is broad—from the initial capability determination to the protection from misuse. We have already devoted the good part of a year to this investigation, beginning with an SSA orientation on both current and longstanding issues with the program to our recent public event to hear about representative payee issues firsthand. Our continuing series of reports will reflect our careful, balanced analysis of this vital program.

***Retirement Security Report:*** Empirical evidence shows many Americans are approaching retirement with inadequate savings. Longer lifespans, a changing pension

landscape, and other factors have placed more responsibility on Americans to prepare and manage their retirement resources. In FY 2016 and FY 2017, the Board will build on previous reports by presenting existing retirement security policy options, and discuss how the options impact those in America's middle class, which for purposes of this report, encompasses households with a family of three earning \$31,000 to \$126,000 in 2014. The Board will also present policy solutions that address the overarching retirement security system to inform policy-makers, understanding any American—regardless of income—may exhaust retirement resources because of unexpectedly long life, unplanned health costs, or poor financial decisions.

***SSA's Long-Term Research Agenda:*** Consistent with our statutory mandate, during FY 2017, the Board plans to take another hard look at SSA's long-term research agenda, evaluate the progress the agency has made in defining and advancing its research agenda since the last time the Board addressed these issues in a series of reports we published in 1997 and 1998, and to identify the major challenges and needs for defining and advancing a research agenda in the future. Following the structure of the Board's past study, this project would consist of two parts: first, a live symposium with research experts, Board members, and SSA officials who would discuss the state of research at SSA and define specific research priorities for the future; and second, a report from the Board making recommendations to the President Congress, and the Commissioner. The Board will continue stay abreast of these issues in FY 2018 and beyond.

***Concurrent UI/DI Payments:*** At the request of Congressional staff, the Board evaluated several proposals for paying benefits when an individual receives currently both unemployment insurance (UI) compensation and Disability Insurance (DI) benefits. The Board is currently drafting a paper that will provide different perspectives on the best way to handle these situations.

***Supplemental Security Income Program (SSI):*** Over the next year, the Board will continue its in-depth look at the Supplemental Security Income (SSI) program. Our plan is to review two additional aspects of the program that lend complexity to program and make it difficult to administer. We will examine the SSI asset limits and in-kind maintenance and support (ISM) provisions of the program and discuss options for reform.

***Disability Insurance (DI) Program:*** The Board is drafting a report for publication in FY 2017 that will outline some of the policy and administrative issues that remain in the DI program following passage of the *Bipartisan Budget Act of 2015* (BBA2015). This moment represents a unique opportunity to test various approaches to strengthen DI. There is considerable administrative data that could be used to analyze model new approaches to the disability determination process, return-to-work efforts, and other facets of the program. Additionally, the inclusion of demonstration authority in the recent legislation allows SSA to test

innovative approaches to the program and provides SSAB an opportunity to suggest some demonstrations. To that end, many think tanks and advocacy organizations developed proposals which the Board will analyze and present in the upcoming report.

***Systems Modernization:*** Adopting best practices established by the private sector and other federal agencies is the surest way for SSA to bring its outdated information technology (IT) infrastructure into the 21<sup>st</sup> century. In FY 2017 and FY 2018, if funds are made available, the Board would like to continue tracking and assessing the SSA's progress in modernizing its existing systems and databases, including the agency's movement to agile systems development, moving its outdated IT infrastructure to more modern platforms, and ongoing development of the agency's Disability Case Processing System (DCPS) that will eventually replace the 54 legacy case processing systems currently in place in the state Disability Determination Services (DDSs). Completion of these critical projects by SSA is contingent upon legislation for the \$3.1 billion federal IT modernization fund, requested in the President's Budget request to Congress, and SSA receiving a portion of that funding.

***Measuring the True Cost of Administrative Budget Cuts at SSA:*** SSA's administrative budget is driven, to a large degree, by workloads that are well-documented and measurable. Costs in the near-term are fairly predictable and based on known trends in the population—birth rates, life expectancy, workforce participation, and other socio-economic factors. SSA does a very good job measuring and projecting both the volume of its workloads and the size of its beneficiary population. For most major workloads, the agency has calculated unit costs that allow it to know quite accurately (on average) how much it costs to process specific workloads at forecast volumes. The agency also has a remarkable track record at improving the productivity of its workforce through automation and other efficiency measures. Since FY 2001, however, in every fiscal year with one exception (FY 2009), SSA's administrative budget has received less funding than was requested in the President's Budget, and significantly less funding than the Commissioner's original estimate of need, as presented to the Office of Management and Budget. In addition, Congress continues adding new mandates on the agency, creating new workloads without providing the additional funding to pay for them. The Board has long been concerned about this and measuring the impact that consistent underfunding has on the agency's ability to deliver service to the public. In FY 2017, the Board plans to work jointly with SSA to measure these effects and make recommendations for change.

## **AUTHORIZING STATUTE**

### **PUBLIC LAW 103-296, as Amended**

#### **SEC. 103. SOCIAL SECURITY ADVISORY BOARD.**

**Section 703 of the Social Security Act (42 U.S.C. 903) is amended to read as follows:**

#### **SOCIAL SECURITY ADVISORY BOARD**

##### *Establishment of Board*

SEC. 703. (a) There shall be established a Social Security Advisory Board (in this section referred to as the 'Board').

##### *Functions of the Board*

(b) On and after the date the Commissioner takes office, the Board shall advise the Commissioner on policies related to the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI.<sup>2</sup> Specific functions of the Board shall include--

- (1) analyzing the Nation's retirement and disability systems and making recommendations with respect to how the old-age, survivors, and disability insurance program and the supplemental security income program, supported by other public and private systems, can most effectively assure economic security;
- (2) studying and making recommendations relating to the coordination of programs that provide health security with programs described in paragraph (1);
- (3) making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the old-age, survivors, and disability insurance program, both in the short-term and the long-term;
- (4) making recommendations with respect to the quality of service that the Administration provides to the public;
- (5) making recommendations with respect to policies and regulations regarding the old-age, survivors, and disability insurance program and the supplemental security income program;
- (6) increasing public understanding of the social security system;
- (7) making recommendations with respect to a long-range research and program evaluation plan for the Administration;
- (8) reviewing and assessing any major studies of social security as may come to the attention of the Board; and
- (9) making recommendations with respect to such other matters as the Board determines to be appropriate.

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<sup>2</sup> The Board's Authorizing Statute formerly included an additional mandate to "...advise the Commissioner on policies related to ... the program of special benefits for certain World War II veterans under title VIII...".

### *Structure and Membership of the Board*

(c)(1) The Board shall be composed of 7 members who shall be appointed as follows:

(A) 3 members shall be appointed by the President, by and with the advice and consent of the Senate. Not more than 2 of such members shall be from the same political party.

(B) 2 members (each member from a different political party) shall be appointed by the President pro tempore of the Senate with the advice of the Chairman and the Ranking Minority Member of the Senate Committee on Finance.

(C) 2 members (each member from a different political party) shall be appointed by the Speaker of the House of Representatives, with the advice of the Chairman and the Ranking Minority Member of the House Committee on Ways and Means.

(2) The members shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Board.

### *Terms of Appointment*

(d) Each member of the Board shall serve for a term of 6 years, except that--

(1) a member appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term; and

(2) the terms of service of the members initially appointed under this section shall begin on October 1, 1994, and expire as follows:

(A) The terms of service of the members initially appointed by the President shall expire as designated by the President at the time of nomination, 1 each at the end of--

(i) 2 years;

(ii) 4 years; and

(iii) 6 years.

(B) The terms of service of members initially appointed by the President pro tempore of the Senate shall expire as designated by the President pro tempore of the Senate at the time of nomination, 1 each at the end of--

(i) 3 years; and

(ii) 6 years.

(C) The terms of service of members initially appointed by the Speaker of the House of Representatives shall expire as designated by the Speaker of the House of Representatives at the time of nomination, 1 each at the end of--

(i) 4 years; and

(ii) 5 years.

### *Chairman*

(e) A member of the Board shall be designated by the President to serve as Chairman for a term of 4 years, coincident with the term of the President, or until the designation of a successor.

### *Compensation, Expenses and Per Diem*

(f) A member of the Board shall, for each day (including travel time) during which the member is attending meetings or conferences of the Board or otherwise engaged in the business of the

Board, be compensated at the daily rate of basic pay for Level IV of the Executive Schedule. While serving on business of the Board away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title V, United States Code<sup>3</sup>, for persons in the Government employed intermittently.

#### *Meetings*

(g)(1) The Board shall meet at the call of the Chairman (in consultation with the other members of the Board) not less than 4 times each year to consider a specific agenda of issues, as determined by the Chairman in consultation with the other members of the Board.

(2) Four members of the Board (not more than 3 of whom may be of the same political party) shall constitute a quorum for purposes of conducting business.

#### *Federal Advisory Committee Act*

(h) The Board shall be exempt from the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

#### *Personnel*

(i) The Board shall, without regard to the provisions of title V, relating to the competitive service, appoint a Staff Director who shall be paid at a rate equivalent to a rate established for the Senior Executive Service under section 5382 of title V<sup>4</sup>. The Board shall appoint such additional personnel as the Board determines to be necessary to provide adequate support for the Board, and may compensate such additional personnel without regard to the provisions of title V, relating to the competitive service.

#### *Authorization of Appropriations*

(j) There are authorized to be appropriated, out of the Federal Disability Insurance Trust Fund, the Federal Old-Age and Survivors Insurance Trust Fund, and the general fund of the Treasury, such sums as are necessary to carry out the purposes of this section.

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<sup>3</sup> See Vol. II, 5 U.S.C. 5703.

<sup>4</sup> See Vol. II, 5 U.S.C. 5382.

## **PROPOSED STATUTORY AMENDMENTS TO THE BOARD’S AUTHORIZING LANGUAGE**

As the Board works to enhance its analytical capacity, it has decided to approach the Authorizing Committees of the House and Senate to seek certain technical amendments in its statutory authority. These amendments would strengthen the Board’s ability to conduct or sponsor more data-driven policy-relevant research and analysis and provide greater support to Congress, the White House and the Commissioner of Social Security.

Two of the amendments we seek would also have to be agreed upon by the House and Senate Appropriations Committees. These amendments are summarized below:

**1. At the end of each fiscal year, transfer the Board’s unobligated budget authority to SSA’s no-year IT budget.**

When the Board was created by Congress, the intent of the appropriators was that the balance of the Board’s unobligated funds would be deposited into SSA’s No-Year IT account at the end of each fiscal year and early appropriations language reflected this intent. Throughout most of the Board’s existence, annual appropriations language for Board activities included in SSA’s Limitation on Administrative Expense (LAE) appropriation was worded as follows:

*“Provided, That not less than {budgeted amount} shall be for the Social Security Advisory Board: Provided further, That unobligated balances at the end of fiscal year {budget year} not needed for fiscal year {budget year} shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administration expenses associated solely with this information technology and telecommunications infrastructure.”*

This language existed in annual appropriations through FY 2015 and, up until that time, the Board persisted in its belief that all unobligated balances at the end the fiscal were transferred to SSA’s no-year IT/automation investment fund. In FY 2015, the Board was informed by SSA’s Office of Budget that this was not—and never had been—the case due to SSA’s narrow interpretation of the statutory language. In FY 2016, the *Provided further* clause was removed from the appropriation language that was proposed to Congress. The Board will propose new legislative language that achieves the original intent of Congress.

## **2. Add appropriations for official reception and representation expenses.**

In order to meet its statutory mandate, the Board has found over the years that meeting with the public is an effective way to gauge the public's understanding of Social Security programs, to hear their concerns about agency policies, and the level of service they both expect and receive from SSA. The Board routinely holds public hearings and other public events where members of the public and those interested third parties who assist them in their dealings with the agency. Often, given the duration and timing of these events, the best way to foster public attendance is to hold these events outside of the typical hours that most people work—typically at the dinner hour. We have found that offering light refreshments is a necessary to get people to come but government rules about paying for food prevent us from doing so. The Board will propose new legislative language that would authorize a small expenditure for reception and representation—we estimate around \$3,000 per year—patterned after similar language provide for other agencies.

## **APPENDIX A: CURRENT BOARD MEMBER BIOGRAPHIES**

### Henry J. Aaron, Chair (09/14 - 09/20)

Nominated February 14, 2011 and confirmed September 8, 2014 (first term). Re-nominated January 6, 2014 and confirmed September 8, 2014 (second term). Henry J. Aaron, Ph.D. is the Bruce and Virginia MacLaury Senior Fellow in the Brookings Institution Economic Studies Program, which he directed from 1990 through 1996. Dr. Aaron previously taught at the University of Maryland and at Harvard University. He served as Assistant Secretary for Planning and Evaluation at the Department of Health, Education, and Welfare and chaired the 1979 Advisory Council on Social Security. He is a member and vice-chair of the District of Columbia Health Benefits Exchange. He is a member of the Institute of Medicine, the American Academy of Arts and Sciences, the advisory committee of the Stanford Institute for Economic Policy Research, and the Center on Budget and Policy Priorities. He was a member of the Congressional Budget Office Panel of Economic Advisers and Panel of Health Advisers, the visiting committees of the Harvard Medical and Dental Schools and Department of Economics, and the boards of directors of Abt Associates, Georgetown University, and the College Retirement Equity Fund. Dr. Aaron was a founding member, Vice-President, and board chair of the National Academy of Social Insurance. He has been Vice-President and member of the executive committee of the American Economic Association, was President of the Association of Public Policy and Management. He received a B.A. from U.C.L.A in Political Science and Economics and holds an M.A. in Russian Regional Studies and a Ph.D. in economics from Harvard University. Current term of office: September 2014 to September 2020.

### Lanhee J. Chen (09/14 - 09/18)

Nominated on September 30, 2013 and confirmed on September 8, 2014. Lanhee J. Chen, Ph.D. is the David and Diane Steffy Research Fellow at the Hoover Institution; Director of Domestic Policy Studies and Lecturer in the Public Policy Program at Stanford University; Lecturer in Law at Stanford Law School; and an affiliate of the Freeman Spogli Institute for International Studies at Stanford University. Dr. Chen was the policy director for the Romney-Ryan 2012 Presidential campaign, as well as Governor Romney's chief policy adviser; a senior strategist on the campaign; and the person responsible for developing the campaign's domestic and foreign policy. In the George W. Bush administration, Dr. Chen was a senior official at the US Department of Health and Human Services. He also served as Domestic Policy Director of Governor Romney's first campaign for President and as a Health Policy Adviser on President George W. Bush's reelection campaign. Dr. Chen was also an associate attorney at the international law firm of Gibson, Dunn & Crutcher LLP. Dr. Chen currently serves on the Board of Trustees of the Junior Statesmen Foundation and on the Advisory Board of the Partnership for the Future of Medicare. He earned his Ph.D. and A.M. in political science from Harvard

University, his J.D. cum laude from Harvard Law School, and his A.B. magna cum laude in government from Harvard College. Current term of office: September 2014 to September 2018.

Barbara Kennelly (01/06 - 09/17)

Appointed by the House on January 18, 2006 (first term); Reappointed March 1, 2012 (second term). Barbara B. Kennelly is President of Barbara Kennelly Associates and is a Distinguished Professor at Trinity University. She served as President of the National Committee to Preserve Social Security and Medicare from 2002-2011. Congresswoman Kennelly served seventeen years in the United States House of Representatives, representing the First District of Connecticut. During her Congressional career, Congresswoman Kennelly was the first woman elected to serve as the Vice-Chair of the House Democratic Caucus, the first woman to serve on the House Committee on Intelligence, the first woman to serve as Chief Majority Whip, and the third woman in history to serve on the 200-year-old Ways and Means Committee. During the 105th Congress, she was the ranking member of the Subcommittee on Social Security. Prior to her election to Congress, she was the Secretary of State of Connecticut. After serving in Congress, Congresswoman Kennelly was appointed to the position of Counselor to the Commissioner at SSA. As Counselor, Congresswoman Kennelly worked closely with Commissioner Kenneth S. Apfel and members of Congress to inform and educate the American people on the choices they face to ensure solvency of Social Security. She served on the Policy Committee for the 2005 White House Conference on Aging. Congresswoman Kennelly received a B.A. in Economics from Trinity College, Washington, D.C. She earned a certificate from the Harvard Business School on completion of the Harvard-Radcliffe Program in Business Administration and a Master's Degree in Government from Trinity College, Hartford. First term of office: January 2006 to September 2011. Current term of office: March 2012 to September 2017.

Kim Hildred (09/16 - 09/22)

Appointed by the House on September 27, 2016 (first term). Kim Hildred currently serves as President of Hildred Consulting LLC. In early 2015, Kim retired from the U.S House of Representatives after serving 17 years as Staff Director of the Committee on Ways and Means Subcommittee on Social Security. There she assisted Committee Members in the development and passage of legislation to strengthen Social Security retirement, survivors, and disability programs, as well as in the oversight of these programs. Kim's efforts contributed to the Committee holding over 120 hearings and the signing of 10 bills into law, including the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L.106-170), the Senior Citizens' Freedom to Work Act of 2000 (P.L.106-182), and the Social Security Protection Act of 2004 (P.L.108-203). Her prior service includes three years deciding Social Security disability claims for the States of Kansas and Wisconsin, followed by 10 years of increasingly responsible

positions in managing Social Security disability programs in the Chicago and Philadelphia regions of the Social Security Administration, including federal disability hearing officer, and disability program administrator. Kim has a Bachelor of Arts degree from Waynesburg University and a Master of Science in Education degree from Duquesne University.

Jagadeesh Gokhale (11/09 - 09/21)

Appointed by the Senate on November 19, 2009 (first term); Reappointed October 5, 2015 (second term). Jagadeesh Gokhale is the Director of Special Projects at Penn Wharton Public Policy Initiative (Penn Wharton PPI). Prior to joining PPI, Dr. Gokhale was a senior fellow at the Cato Institute. Earlier he worked at the American Enterprise Institute as a visiting scholar (2003), the U.S. Treasury Department as a consultant (2002), and the Federal Reserve Bank of Cleveland as a senior economic advisor (1990-2003). An economist by training, his main research fields are macro and public economics with a special focus on the effects of fiscal policy on future generations. In 2008, he served as a member of the Task Force on Sustainability Issues for the Federal Accounting Standards Advisory Board. Dr. Gokhale has written extensively on policy issues including Social Security and Medicare reform, national saving, private insurance, financial planning, wealth inequality, generational accounting, and public intergenerational transfers and he has testified several times before Congress on these topics. He has published several papers in the American Economic Review, Journal of Economic Perspectives, Quarterly Journal of Economics, Review of Economics and Statistics and in publications of the National Bureau of Economic Research and the Cleveland Federal Reserve; in the US Budget report's Analytical Perspectives; and in newspapers and online media such as the Wall Street Journal, The Financial Times, the Washington Post, American Spectator, and Forbes. Dr. Gokhale is a co-author of Fiscal and Generational Imbalances that revealed the US fiscal imbalance to be in the tens of trillions of dollars. In 2010 he published Social Security: A Fresh Look at Policy Alternatives which constructs a different method for determining solvency of the Social Security trust funds. First term of office: November 2009 to September 2015. Current term of Office: October 2015 to September 2021.

Bernadette Franks-Ongoy (01/13 - 09/18)

Appointed by the Senate on January 24, 2013, Bernadette Franks-Ongoy is the executive director for Disability Rights Montana, an organization that protects and advocates for the human, legal, and civil rights of Montanans with disabilities. She manages and oversees the day-to-day activities of Disability Rights Montana and sets the tone to ensure that the organization's mission to advance dignity, equality, and self-determination is being accomplished. Ms. Franks-Ongoy says, "I was raised by a mother with a disability and a father who did not realize he was a feminist." She lived in an accessible house before the Americans with Disability Act was the law. Her mother's wheelchair could access every room. "After all mom needed to have access to

my brothers and sisters rooms with her wheelchair.” Ms. Franks-Ongoy is the youngest of eight siblings including a brother with a mental illness. Ms. Franks-Ongoy grew up in the sugar plantation town of Waialua, Hawaii. With the support of Job Corp, Social Security, and other financial aid, she attended and graduated from Chaminade University with a Bachelor of Science Degree in Criminal Justice and a Bachelor of Arts degree in Sociology. She graduated from the University of San Diego, School of Law in 1983. Her past legal experience includes: law clerk, First Judicial Circuit Court in Hawaii, founding executive director of the Hawaii Bar Foundation, deputy corporation counsel, City and County of Honolulu, and attorney and director of programs for the protection and advocacy system in Hawaii. She is licensed to practice law in Hawaii and with the United States Court of Appeals for the Ninth Circuit. Ms. Franks-Ongoy has served as President of the National Disability Rights Network and most recently was a member of Montana’s Equal Justice Task Force. Current term of office: January 2013 to September 2018.

*Note: Appointments for both Alan Cohen and Dorcas Hardy expire on September 30, 2016.*

## **APPENDIX B: BOARD BYLAWS**

### ***ARTICLE 1***

#### **CREATION**

The Social Security Advisory Board (referred to collectively herein as the "Board") is established by section 703 of the Social Security Act.

### ***ARTICLE 2***

#### **COMPOSITION**

The Board is composed of 7 members appointed to 6-year terms, as follows: 3 appointed by the President (no more than 2 from the same political party), by and with the advice and consent of the Senate; 2 each (no more than 1 from the same political party) by the Speaker of the House (in consultation with the Chairman and Ranking Minority Member of the Committee on Ways and Means) and by the President pro tempore of the Senate (in consultation with the Chairman and Ranking Minority Member of the Committee on Finance).

Each member of the Board serves for a term of 6 years, except that (1) a member appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term; and (2) the terms of service of the members initially appointed began on October 1, 1994, and expire as follows: those appointed by the President expire as designated by the President at the time of nomination, 1 each at the end of 2 years, 4 years, and 6 years. The terms of service of members initially appointed by the President pro tempore of the Senate expire as designated by the President pro tempore of the Senate at the time of nomination, 1 each at the

end of 3 years and 6 years. The terms of service of members initially appointed by the Speaker of the House of Representatives expire as designated by the Speaker of the House of Representatives at the time of nomination, 1 each at the end of 4 years and 5 years.

When carrying out the duties of the office, a member of the Board is performing work on behalf of the U. S. government and does not represent any private organization or institution with which the member may otherwise be affiliated.

### ***ARTICLE 3***

#### **CHAIR**

The President designates a member of the Board to serve as Chair for a term of 4 years, coincident with the term of the President, or until the designation of a successor. The Chair may designate another member of the Board to act as chair of a meeting of the Board in the absence of the Chair.

## ***ARTICLE 4***

### **WORKING GROUPS**

The Chair of the Board may establish Working Groups to conduct studies on subjects that are of particular interest to the Board. Working Groups will be bipartisan and will be comprised of those members who choose to participate. They will not be voting bodies, but will serve in an advisory capacity to the full Board. Board members who are not in a Working Group may participate in such activities of that Working Group as they choose. The Chair of the Board will appoint the Chair of a Working Group. A Working Group will meet at the call of the Chair of the Working Group.

## ***ARTICLE 5***

### **MEETINGS**

#### **SECTION 1 - PLACE AND FREQUENCY**

The Board shall meet at the call of the Chair (in consultation with the other members of the Board) not less than 4 times each year to consider a specific agenda of issues, as determined by the Chair in consultation with the other members of the Board. Meetings shall be held in the Board's conference room, unless otherwise determined by the Chair.

#### **SECTION 2 - NOTICE OF MEETINGS**

Members of the Board shall receive a written notice not less than 7 days before the date of a meeting. The notice shall contain a summary of the agenda and the place, date, and time of the meeting. Notice of public meetings shall also be posted on the Board's home page in order to inform the public of Board proceedings. In exceptional circumstances, the Board may give less than 7 days notice, provided that the reasons for doing so are included in the meeting notice. Board meetings shall be open to the public. Meetings not subject to this requirement include meetings of the Board and the Commissioner of Social Security or one or more other Federal official(s) for the purpose of exchanging facts or information and hearing the views of individual attendees; meetings of the Advisory Board or of two or more members that are convened solely to gather information or conduct research on behalf of the Board, to analyze relevant issues and facts, or to draft proposed position papers or reports for consideration by the Board; and meetings of the Board for the purpose of attending to Board administrative arrangements. Interested persons shall be permitted to appear before the Board. Individuals who wish to appear before the Board shall notify the Board in advance so that their appearance may be scheduled. The Board will also receive and give consideration to written communications from the Executive Branch, the Congress, and the public and respond appropriately.

#### **SECTION 3 - QUORUM AND TRANSACTION OF BUSINESS**

Four members of the Board (not more than 3 of whom may be of the same political party) shall constitute a quorum for transaction of business at any meeting. Each member shall have one vote. The votes of a majority of the Board present and voting shall be necessary for adoption by the Board of any action. Voting shall be by oral vote unless on any matter a member requests voting by written ballot.

The Board may, in accordance with this section, vote to take up items not on the proposed agenda.

#### **SECTION 4 - ABSENCE FROM MEETINGS**

A member of the Board who is absent from a meeting of the Board may vote at the meeting if the member provides a proxy to the Chair of the Board prior to or at the time of the meeting. A member who is absent from a meeting may give consent to, or register dissent from, any action adopted by the Board at the meeting if the member provides notice of consent or dissent with the Chair of the Board within five days of the meeting.

#### **SECTION 5 - MINUTES OF MEETINGS**

The Chair of the Board shall ensure that minutes of each Board meeting are kept. Minutes of open meetings shall include: time, date, and place; a list of the persons who were present, including Board members and staff, Executive Branch employees, and members of the public who presented oral or written statements; an estimated number of other members of the public present; a description of each matter discussed and the resolution, if any, made by the Board; and copies of each report or other document received or approved by the Board. The Chair shall certify to the accuracy of all minutes of meetings. The Board shall make available to any person, at actual cost of duplication, copies of Board minutes.

### ***ARTICLE 6***

#### **ACTION BETWEEN MEETINGS**

##### **SECTION 1-ACTION PURSUANT TO DIRECTION AT A MEETING**

The Chair may determine, by the vote of a majority of duly appointed members, to conduct a vote on a proposed action without a meeting. If the Chair so determines, the Chair shall transmit to the members information relating to the proposed action, and a call for a vote thereon. The proposed action shall be adopted by the votes of a majority of the duly appointed members of the Board, but shall not become effective until the earlier of the receipt of votes from all serving members or thirty days from the date of request for a vote.

##### **SECTION 2-LIMITATION**

The procedure described in this Article may not be used with respect to actions proposed under Article 11 of these By-Laws.

### ***ARTICLE 7***

#### **DUTIES**

##### **SECTION 1 - DUTIES OF THE BOARD**

The duties of the Board are specified in section 703 of the Social Security Act.

##### **SECTION 2 - DUTIES OF THE CHAIR**

In addition to the duties specified in Section 1 of Article 5, the Chair of the Board shall:

- \* preside at all meetings of the Board, except as otherwise provided in Article 3;
- \* conduct all meetings in accordance with these By-Laws;

- \* take the actions required in order for the Board to act between meetings; and
- \* take such other action as is necessary for the efficient functioning of the Board.

### **SECTION 3 - FIRST ASSISTANT**

In the event that the Chair of the Board dies, resigns, or is otherwise unable to perform the functions and duties of the office (including such inability as a result of the expiration of the Chair's term of office as a member of the Board), such functions and duties shall be temporarily exercised in an acting capacity by the first assistant to the Chair to the extent such action is not inconsistent with law. For purposes of this section, the first assistant to the Chair shall be that member of the Board who is of the same party as the then President of the United States and who has had the longest period of service on the Board.

## ***ARTICLE 8***

### **REPORTS**

#### **SECTION 1 - PREPARATION**

The Board shall prepare and approve reports to the President, the Congress, and the Commissioner on subjects that are related to the functions of the Board as specified in section 703(b) of the Social Security Act. Reports may include minority or supplemental views. Reports will be made available to the public.

#### **SECTION 2 - ADOPTION**

The Reports shall be adopted by the vote of a majority of the duly appointed members of the Board.

#### **SECTION 3 - MINORITY AND SUPPLEMENTAL VIEWS**

Any member of the Board may submit minority or supplemental views to the Chair of the Board within 7 days of the vote adopting the report. Timely submitted views shall be printed with the report.

## ***ARTICLE 9***

### **PUBLIC ACCOUNTABILITY**

The Board shall prepare annual reports on its budget and on the activities of the Board which shall be made available to the public.

## ***ARTICLE 10***

### **STAFF DIRECTOR**

The Board shall appoint a staff director who shall serve as the chief operating officer of the Board and who shall have the responsibility of carrying out the day-to-day operations of the Board.

## ***ARTICLE 11***

### **AMENDMENT OF BY-LAWS**

These By-Laws may be repealed, altered, or amended only by consent of all duly appointed members of the Board then serving. A copy of any proposed amendment shall be filed with the Chair and shall be sent to each member of the Board with the notice announcing the meeting at which the proposed amendment will be considered. Adoption of a proposed amendment shall be deemed to waive any notice required by this Article.